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# HOUSE BILL No. 1183

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-40; IC 6-1.1-12-41.

**Synopsis:** Tax deduction for agricultural land. Allows a property tax deduction in the amount of 100% of the assessed value of not more than 200 acres of actively used farm land to an individual who is a farmer and meets certain other qualifying criteria.

**Effective:** July 1, 2001.

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January 9, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1183

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12-40 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2001]: **Sec. 40. (a) An individual may obtain a deduction from the**  
4 **assessed value of not more than two hundred (200) acres of the**  
5 **individual's land that:**

6           **(1) was assessed as agricultural land as of; and**

7           **(2) was actively used as agricultural land for at least four (4)**  
8 **months of;**

9 **the calendar year preceding the year for which the individual**  
10 **wishes to obtain the deduction. For purposes of this section, land**  
11 **is considered to be actively used as agricultural land if crops are**  
12 **planted on the land or if the land is used for livestock production.**

13       **(b) An individual who is not the lessor of the agricultural land**  
14 **upon which the deduction is claimed qualifies for the deduction**  
15 **under this section if:**

16           **(1) not less than fifty percent (50%) of the combined adjusted**  
17 **gross income (defined in Section 62 of the Internal Revenue**



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Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed was derived from farming;

(2) not less than seventy-five percent (75%) of the combined adjusted gross income described in subdivision (1) was derived from farm income other than income from sales under prearranged contracts with entities that had an ownership interest in the seed or livestock from which the income was derived;

(3) on March 1 of the year for which the individual wishes to obtain the deduction, the individual was not the owner or operator of a confined feeding operation (as defined in IC 13-11-2-40):

(A) for cattle or fowl; or

(B) of more than two thousand (2,000) swine or sheep; and

(4) the individual has:

(A) owned the land; or

(B) been buying the land under a contract that provides that the individual is to pay the property taxes on the land; for at least one (1) year before claiming the deduction and the contract or a memorandum of the contract is recorded in the county recorder's office.

(c) An individual who is the lessor of the agricultural land upon which the deduction is claimed qualifies for the deduction under this section if the:

(1) lessee of the land is an individual who meets the requirements of subsection (b)(1) through (b)(3); and

(2) lessor of the land meets the requirements of subsection (b)(4).

(d) An individual's deduction under this section equals one hundred percent (100%) of the assessed value of the land.

(e) For purposes of this section, if land is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed.

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SECTION 2. IC 6-1.1-12-41 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 41. (a) An individual who desires to claim the deduction provided by section 40 of this chapter must file a sworn statement, on forms prescribed by the state board of tax commissioners, with the auditor of the county in which the land is located. The statement must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.**

**(b) The statement referred to in subsection (a) must be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, land subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:**

**(1) a statement whether the land was actively used as agricultural land for at least four (4) months of the calendar year preceding the year in which the individual wishes to obtain the deduction;**

**(2) the source and exact amount of adjusted gross income received by the individual and the individual's spouse during the year preceding the year for which the individual wishes to obtain the deduction;**

**(3) a statement whether, on March 1 of the year for which the individual wishes to obtain the deduction, the individual was the owner or operator of a confined feeding operation (as defined in IC 13-11-2-40):**

**(A) for cattle or fowl; or**

**(B) of more than two thousand (2,000) swine or sheep;**

**(4) the description and assessed value of the land;**

**(5) the individual's full name and complete residence address;**

**(6) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the land on contract; and**

**(7) any additional information that the state board of tax commissioners may require.**

**(c) In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor copies of the income tax returns of the:**

**(1) applicant; and**

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1           **(2) applicant's spouse;**  
2           **for the year preceding the year for which the applicant wishes to**  
3           **obtain the deduction. If either was not required to file an income**  
4           **tax return, the applicant shall state that fact in the deduction**  
5           **statement.**

6           SECTION 3. [EFFECTIVE JULY 1, 2001] (a) IC 6-1.1-12-40 and  
7           IC 6-1.1-12-41, both as added by this act, apply to property taxes  
8           first due and payable after December 31, 2002.

9           (b) This SECTION expires January 1, 2004.

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